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SUBJECT: INDONESIA CLIMATE CHANGE UPDATE

REF: A. JAKARTA 2058  
[1](#)B. JAKARTA 2047  
[1](#)C. STATE 116939  
[1](#)D. JAKARTA 1325

[1](#)1. (SBU) Summary: Minister of Environment Rachmat Witoelar will lead the Indonesian delegation to the U.N. climate change conference in Poznan, Poland this December. However, the delegation's composition is still undefined. Prior to Poznan, Minister of Industry Fahmi Idris will attend the November 27-28 sectoral meeting in Warsaw. The delegation is expected to focus on concessional financing for adaptation and mitigation, technology transfer, and Reducing Emissions from Deforestation and Degradation (REDD). In addition, it is likely to press for emissions reductions by rich countries of 20 percent by 2020 and 50 percent by 2050, from 1990 levels, while acknowledging a role for developing countries as well.

Indonesia has established a Secretariat for its National Climate Change Commission, headed by Agus Purnomo. The commission will be adding a science working group to its six existing ones. Germany has offered Indonesia a 20 million euro debt swap for forestry-related climate change programs. Indonesia's Meteorological and Geophysical Agency (BMG) has changed its name to emphasize climate change. End Summary.

#### Indonesia's Delegation to COP-14

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[1](#)2. (U) According to the Secretariat of Indonesia's National Climate Change Commission (NCCC), the Government of Indonesia (GOI) is still deciding the composition of its delegation to the 14th Conference of the Parties (COP-14) of the U.N. Framework Convention on Climate Change (UNFCCC) in Poznan, Poland this December. However, they expect a delegation of approximately 60 persons, led by Minister of Environment Rachmat Witoelar. The Head of the NCCC Secretariat, Agus Purnomo (see para 7), will also be a member of the delegation. According to Ministry of Foreign Affairs officials, their representatives will include the Director and Deputy Director for Environmental Affairs, Ghafur Akhbar Dharmaputra and Cecep Herawan, Directorate of Economic Development and Environmental Affairs.

[1](#)3. (U) The Indonesian delegation's core group will meet mid-November to decide on objectives, following the "Beijing High-Level Conference on Climate Change: Technology Development and Technology Transfer", taking place November 7-8, 2008. In addition, Minister of Industry Fahmi Idris will attend the November 27-28 "Summit on Sectoral Cooperation" in Warsaw, organized by the Polish Minister of Economy for ministers of industry and business leaders.

Priorities of the Indonesian Delegation to COP-14

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14. (SBU) Recent statements by President Yudhoyono and GOI officials suggest that the Indonesian delegation will focus on concessional financing for adaptation and mitigation, technology transfer, and REDD. In addition, it is likely to continue to press for emissions reductions by rich countries of 20 percent by 2020 and 50 percent by 2050, from 1990 levels. Agus Purnomo has stated that their intent is to safeguard the Bali Roadmap and ensure that the global financial crisis does not change the commitments of developed countries to reduce the emissions.

15. (SBU) President SBY has acknowledged that "both developed and developing countries must do more" on climate change (ref A). In a November 5 meeting with Ambassador Hume, SBY said he thought that all leaders present at the recent ASEM Summit were committed to the success of the 2009 Copenhagen Climate Change Conference, and that statements by Chinese and Indian leaders had been positive. Although many issues remained to be settled following the Bali Roadmap of December 2007, SBY expressed his hope that a post-2012 protocol could be reached. Focus needed to remain on mitigation, adaptation and on a financing structure.

16. (SBU) However, comments by Dr. Emil Salim, head of Indonesia's COP-13 delegation and an advisor to Indonesian President Yudhoyono (SBY), indicate lowered expectations for COP-14. At Post's election-day event (ref B) on November 5, Dr. Salim said he is not likely to be in this year's delegation, and that he did not expect progress in Poznan anyway, especially with the U.S. Administration in transition.

17. (SBU) Masnellyarti Hilman, a Deputy Minister of Environment and  
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likely delegation member, has emphasized that Indonesia's policy is to rely primarily on grants for mitigation and adaptation financing, and stated that the financial crisis does not change this. Officials at the National Development Planning Agency (BAPPENAS) have frequently underscored that they will only accept grants or extremely concessional lending. The Ministry of Finance (MOF) and BAPPENAS are currently setting up a financing management mechanism in the form of a Climate Change Trust Fund. According to Purnomo, the model for this is the Aceh multi-donor trust fund; he says the NCCC Secretariat is still waiting to hear more about the fund and its structure.

Secretariat for National Climate Change Commission  
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18. (SBU) Minister Witoelar has appointed Agus Purnomo, an advisor to the Minister, to head an NCCC Secretariat, which is still in the process of moving into its new office space and hiring staff. The Secretariat will have offices for communication and education, monitoring and evaluation, research support, international collaboration and legal issues, as well as a Clean Development Mechanism (CDM) unit. According to Purnomo, it will help set priorities, but not replicate the functions of BAPPENAS. Purnomo expects the NCCC to get more involved in working with the MOF on a low carbon economy strategy. He also noted recently that he sees no leadership within the GOI on climate-related infrastructure issues.

19. (U) There are six working groups under the National Climate Change Council (ref D): Adaptation, Mitigation, Financing, Technology Transfer, Post-Kyoto 2012, Forestry and Land-Use Change. These working groups will formulate proposed policies which the cabinet-level NCCC will then adopt or reject. The only working group chair appointed so far is Ismid Hadad for Financing. (Note: Ismid Hadad has been the Executive Director of KEHATI, the Indonesian Biodiversity Foundation, since 1999. KEHATI is an independent, non-profit, national grant-making foundation established in 1994 with USAID funding. End Note.)

110. (U) According to Purnomo and Amanda Katili, another advisor to Minister Witoelar, and who will direct the NCCC's communication and education efforts, they are adding a new working group for Science. Dr. Mezak Ratag, Director for Research and Development, Meteorological and Geophysical Agency (BMG), will chair this group, which is to be a "domestic equivalent of the IPCC [Intergovernmental

Panel on Climate Change]", says Katili.

¶11. (U) BACKGROUND: President Susilo Bambang Yudhoyono (SBY) established the NCCC by presidential decree on July 4, 2008 (ref D).

President SBY is the nominal Chair of the NCCC, and Minister of Environment Rachmat Witoelar is the Executive Director. Witoelar has two deputies: the Coordinating Minister for Social Welfare and the Coordinating Minister for Economics. The NCCC comprises 17 ministers as well as the Director of the Meteorological, Climatological and Geophysical Agency (BKMG - see para 13).

#### Germany Offers 20 Million Euro Climate Change Debt Swap

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¶12. (SBU) Germany has offered Indonesia a 20 million euro debt swap for forestry-related climate change programs. This debt-for-nature swap comes with conditions: the GOI must contribute a matching amount in local currency as well as involve NGOs in implementing activities. A German delegation presented this offer in an official letter to the Ministry of Finance on November 6 in Jakarta. Germany will commence technical discussions with the GOI if it responds positively.

#### Meteorological and Geophysical Agency (BMG) Renamed

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¶13. President SBY renamed the Meteorological and Geophysical Agency (BMG) as the Meteorological, Climatological, and Geophysical Agency (BMKG, or Badan Meteorologi, Klimatologi dan Geofisika) by presidential decree on September 4, 2008. Both Agus Purnomo and another senior advisor to Minister Witoelar pointed this out as evidence of how seriously the GOI takes climate change.

HUME